

STATE OF VERMONT  
PUBLIC SERVICE BOARD

Docket No. 7670

Petition of twenty Vermont utilities and Vermont Public )  
Power Supply Authority requesting authorization, )  
pursuant to 30 V.S.A. Section 248, for the purchase of )  
shares of 218 MW to 225 MW of electricity of H.Q. )  
Energy Services (U.S.) Inc., commencing November 1, )  
2012, and continuing through 2038, issuance of findings )  
that such purchases are entitled to rate recovery )  
assurance, and requesting certain approvals under 30 )  
V.S.A. Section 108 – )

Order entered: 11/14/2011

**ORDER APPROVING AMENDMENT TO COLLATERAL AGREEMENT**

The Public Service Board's ("Board") April 15, 2011, Order in this proceeding approved in concept the request by Central Vermont Public Service Corporation ("CVPS") and the Vermont Power Division of OMYA Inc. ("Vermont Marble") to allow reasonable changes to the credit and collateral requirements under CVPS's Collateral Agreement with H. Q. Energy Services (U.S.) Inc. ("HQUS") to reflect the reallocation of Vermont Marble's energy purchase to CVPS, should the then-pending sale of Vermont Marble's electric assets to CVPS be completed. However, the Board required CVPS to request Board approval of any specific changes once they were identified.<sup>1</sup>

On November 1, 2011, CVPS filed a request for Board approval of the First Amendment to its Collateral Agreement with HQUS. CVPS asserted that the changes in the amendment are "limited and formulaic in nature, relating only to identifying the collateral that CVPS could be obligated to post to account for its assumption of the Vermont Marble obligations under its

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1. Order of 4/15/11 at 60.

Collateral Agreement with HQUS."<sup>2</sup> CVPS added that "the magnitude of the incremental change is small relative to CVPS's current obligation."<sup>3</sup>

On November 9, 2011, the Vermont Department of Public Service filed a letter stating that it recommends that the First Amendment be approved without a hearing or an investigation.

No other party filed comments.

We conclude that the modifications provided for in the First Amendment to CVPS's Collateral Agreement with HQUS are reasonable in light of CVPS's assumption of Vermont Marble's rights, duties and obligations under the Hydro-Québec Purchased Power Agreement. Therefore, we approve the First Amendment to CVPS's Collateral Agreement with HQUS.

**SO ORDERED.**

Dated at Montpelier, Vermont, this 14<sup>th</sup> day of November, 2011.

<u>s/James Volz</u>	)	
	)	PUBLIC SERVICE
	)	
<u>s/David C. Coen</u>	)	BOARD
	)	
	)	OF VERMONT
<u>s/John D. Burke</u>	)	

OFFICE OF THE CLERK

FILED: November 14, 2011

ATTEST: s/Susan M. Hudson  
Clerk of the Board

*NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: psb.clerk@state.vt.us)*

*Appeal of this decision to the Supreme Court of Vermont must be filed with the Clerk of the Board within thirty days. Appeal will not stay the effect of this Order, absent further Order by this Board or appropriate action by the Supreme Court of Vermont. Motions for reconsideration or stay, if any, must be filed with the Clerk of the Board within ten days of the date of this decision and order.*

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2. Letter from Kimberly K. Hayden, Esq., Downs Rachlin Martin PLLC, on behalf of CVPS, to Susan M. Hudson, Clerk, Board, dated November 1, 2011, at 2.

3. Letter from Kimberly K. Hayden, Esq., Downs Rachlin Martin PLLC, on behalf of CVPS, to Susan M. Hudson, Clerk, Board, dated November 1, 2011, at 2.